



## Problem Resolution Report

CoSD Contract No. 554833

Reinvestment Credit

ES / CoSD 022



**Date:** November 13, 2017

**Summary:**

In accordance with the provisions of the IT and Telecommunications Service Agreement No. 554833 (the "New Agreement") by and between the County of San Diego ("County") and Enterprise Services, LLC, a DXC Technology Company ("ES" or "Contractor" and hereinafter collectively referred to as "the Parties"), agreement is reached on the Effective Date shown below.

**Issue or Problem:**

1. In the 2011 IT and Telecommunications Service Agreement, Contract #537863 (the "Legacy Contract"), the Parties agreed to the creation of a Reinvestment Credit, which would be generated through the deferral of the refresh of some network equipment from the beginning of the fourth quarter of Contract Year Five until the end of Contract Year Twelve.
2. On November 15, 2016, the Parties entered in the New Agreement and in accordance to which the Network Framework Transition was successfully completed on August 31, 2017.
3. Neither the agreement establishing the Reinvestment Credit, nor the remaining balance of the Credit was brought forward into the New Agreement.

**Resolution:**

1. The Parties agree to create a Reinvestment Credit that will be generated through the deferral of the Network Equipment Refresh as jointly agreed to by the Parties.
2. The Parties agree that the unspent Reinvestment Credit, in the amount of \$ 468,552.61, is not retained by the County but it is brought forward to create a Reinvestment Credit fund under the New Agreement.
3. These funds shall be available for the County to use for agreed upon projects consistent with the concept of upgrading services available to the County within the Network Framework. The County shall approve in writing through ES the purpose and amount(s) to be redirected.
4. These funds shall be used for one-time non-recurring expenses required to deploy the agreed upon technology or other mutually agreed upon purposes.
5. Contractor shall provide the County with formal written proposals for the County to consider in using the Reinvestment Credit. The County may accept or reject the reinvestment proposals at its sole discretion.
6. Contractor shall provide a monthly accounting of the Reinvestment Credit to the County.



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7. All requirements stated in the New Agreement as to the satisfactory provision of services associated with the projects funded by this Reinvestment Credit will apply.
8. Upon the expiration of the New Agreement, the unspent Reinvestment Credit or any portion thereof, if any, shall be retained by the County less a margin of 30% of the Reinvestment Credit which will be paid to Contractor.

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The resolution of the issue or Problem as described in this Problem Resolution Report shall govern the Parties' actions under the New Agreement until a formal amendment of the New Agreement is implemented in accordance with the terms of the New Agreement, at which time this Problem Resolution Report shall be deemed superseded and shall be null and void.

All other terms and conditions of the New Agreement remain unchanged and the Parties agree that such terms and conditions set forth in the New Agreement shall continue to apply. Unless otherwise indicated, the terms used herein shall have the same meaning as those given in the Agreement.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound, have executed by their authorized representatives and delivered this Problem Resolution Report as of the date first written above.

### COUNTY OF SAN DIEGO

By: *fx*

Name: John M. Pellegrino

Title: Director, Department of Purchasing  
and Contracting

Effective  
Date: 11/17/17

### ENTERPRISE SERVICES, LLC

By:

Name: Laura Floyd

Title: Director, Public Sector - Civilian,  
State and Local Government

Date: November 13, 2017